

DRAFT NSP SUBSTANTIAL AMENDMENT #3

REVISED MAY 2010

NOTE TO REVIEWERS OF THIS DOCUMENT: Added language is in red and underlined. Deleted language is in red with strikethroughs. For activities being deleted or incorporated in other activities, entire sections of rationale or program descriptions were deleted and not shown here in order to simplify this presentation. Likewise, minor corrections are not shown

Jurisdiction(s): City Of Canton, Ohio

NSP Authorized Agent: Robert Torres

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Jurisdiction Web Address:

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A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data, in developing this section of the Substantial Amendment.

Response:

Canton, Ohio, Home of the Pro Football Hall of Fame, President McKinley and the First Ladies National Historic Site, is rich in historic architecture and is highly served in the areas of higher education, roadway and rail. As recent as 1990, Canton's population was over 84,000 (City of Canton, Ohio: Demographic Trends). A shift in the manufacturing industry caused a population decrease. In 2000, The US census showed that the population was 80,806 with 32,489 households and 19,785 families. Due to the loss of jobs from two of its major anchors employers, The Timken Company and The Hoover Factory, the city's population has been impacted negatively as the 2004 census shows the population at just over 78,000.

The City's housing stock is composed heavily of homes built pre-1940. The homes were built to accommodate large and often extended families. The average home is about 3,500 square feet. With the decrease in family size, these homes were converted to multifamily units saturating the city with rental properties. These units also represented a challenge as it resulted in an influx in vacant homes. With the rise in utility costs and a failing real estate market, these homes added to the already high abandonment numbers. With 12 neighborhoods, (Wells, Summit, West Park, Ridgewood, Harter Heights, Ridgewood, Crystal Park, Belden, Washington, Lathrup, Market Heights and Eastpointe) the community continues to fight against the decline in housing stock as vacancies, dilapidation, crime and foreclosure continues to plaque the city.

The foreclosure crisis hit the City of Canton very hard. The city ranks number 7 in the state and in 2006 ranked number 9 in the top 10 metropolitan foreclosure rate listing (realtytrac.com). With an estimated 40,000 parcels, Canton has over 2800 foreclosures and over 2800 vacant and abandoned properties. Over 10% of the City's housing stock is affected by vacant, abandoned and foreclosed properties. This represents an apparent need for revitalization and innovative strategy to address the issues at hand.

The City of Canton has four main goals in implementing the Neighborhood Stabilization Program:

- Create a master plan to impel growth and reform the City of Canton's Housing Stock.
- Rejuvenate communities by returning vacant properties to occupied structures.
- Revive foreclosed properties and restore them to taxable parcels.
- Improve the City's housing stock and creating cohesive neighborhoods through increased affordable homeownership.

The City of Canton has utilized criteria determined by HUD prioritizing the area of greatest need. Using the data provided, The City of Canton used the following methodology in assessing the areas of greatest need:

- Focus on areas with greatest percentage of home foreclosures;
- Focus on areas with highest percentage of homes financed by sub prime mortgages;
- Focus on areas that are likely to face a significant rise in the rate of home foreclosures

The city has identified fourteen (14) NSP target areas (census tracts with greatest need for rehabilitation and redevelopment). Focusing on a targeted approach, the city feels that this will equate to projects that have a greater visible impact on the community. These areas are described under each criterion. The target area census tracts are as follows: 7001, 7002, 7003, 7004, 7005, 7006, 7008, 7010, 7011, 7015, 7017, 7018, 7021, and 7022. In the previously approved Substantial Amendment, the target area census tracts were 7005, 7017, 7018 and 7023.

NUMBERS AND PERCENTAGES OF HOME FORECLOSURES

The City of Canton used data from the Stark County Auditor's office and HUD to determine the number of foreclosures in the city limits. It also used data provided from HUD's assessment of census tracts. More than 2,800 foreclosures were filed in the City of Canton from 2005 to 2007. This represents 7 % of the city's parcels.

The area that is most affected is the center of the city in the Near North East and North West Neighborhoods. Located in Census tract 7018, these neighborhoods have a 15% vacancy rate, 19.5% foreclosure rate and a 74.5 % high cost loan rate. This census tract covers part of 3 of the city's 9 wards. This census tract will be the city's main focus. Redevelopment in this area is paramount as the area is characterized with crime, vacant lots, abandoned homes and schools that are no longer occupied. The Gibbs Neighborhood, census 7005 is the number two area in foreclosure and high cost loans, the third highest area is North East Area located in tract 7003. Census tract 7017, Summit neighborhood is also a targeted area as it is number two in high vacancy rates.

The Neighborhood Stabilization Program funds will allow the city to recover from the current real estate market while supporting economic opportunities and strengthening our neighborhoods.

18 MONTH PREDICTED FORELCOSURE RATE

The Census tract data utilized for this area illustrates the rate of foreclosures predicted over an 18 months period. This data purports that 14 census tracts has percentages of more than 13%. One third of the City's foreclosures are in three census tracts; 7018, 7005 and 7023. These census tracts combined have predicted foreclosure percentages over 18%. In evaluating this data, these census tracts are high risk and pose a great risk for future vacancy. Census tracts 7018, 7015 and 7003 have a vacancy rate range from 13.3 % to 15.1%. Identifying these areas as proposed targeted area supports NSP guidelines.

HIGH COST LOAN RATE

HUD has also provided high cost loan rate information at the census tract level. The high cost loans are proportionate to the areas suffering from foreclosure. The location of the top three census tracts is 7018, 7005 and 7023. High cost loan rates range from 68.6% to 74.5 %. In evaluating this data, the proposed targeted area is also in alignment with NSP requirements.

In summary, our research has determined that although census tract 7018 is fairly large, per the research and data provided it is highly impacted by the percentages of home foreclosures, predicted rates and high cost loan rates.

REDEVELOPMENT NEEDS

In January through April, 2010, a HUD-funded technical assistance team evaluated Canton's NSP program and made recommendations. One of the team's findings was that in most parts of the previously-selected target areas, even new and completely rehabilitated homes would be difficult to market for sale or rent, and the potential for stabilization was generally weak. Working with city staff and local experts, the TA team identified stronger "focal areas" in need of redevelopment outside the initial target areas. As a result, the City added 10 additional target census tracts that are within the City's CDBG target areas, in order to create more opportunities to find feasible clusters of properties (including qualified vacant properties) that will have a redevelopment and stabilization impact. The added low- and moderate-income census tracts have foreclosure rates ranging from 9.8% to 19.5%, and high cost loan rates that range from 33.5% to 74.5%, which indicate strong needs for intervention.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c) (2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a sub prime mortgage

related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

As a requirement of Section 2301(c)(2) of the Housing and Economic Recovery Act, the city is required to utilize funding in the areas with the greatest percentage of home foreclosure, the areas with the highest percentages of sub prime mortgages and the area that is likely to face a rise in foreclosure.

The city will comply with the requirement of benefiting individuals and households at or below 120% of the area median income. Also 25% of the allocation will be used to benefit individuals or households below or at 50% of the area median income.

The city will use a targeted approach to address foreclosed parcels of land and properties in the areas heavily affected by the highest percentage of foreclosures, highest percentage of homes financed by sub prime mortgages and in areas that are likely to face a significant rise in foreclosure. The goal will be to return vacant property to viable parcels of land, revitalize the community through redevelopment and rehabilitation and provide home ownership mechanisms to impel neighborhood growth. All recipients will receive at least eight hours of counseling as provided by HERA.

To achieve these goals the city will use funds in the following areas and include administration costs:

- Demolition
- Acquisition and Rehabilitation
- Acquisition and Redevelopment
- Down Payment assistance (incorporated in the above 2 activities)
- Counseling (incorporated in the administration budget)

ADMINISTRATION

The city will utilize less than the maximum allowable amount for administration costs (8.4% versus the allowed 10% of its allocation). The city will collaborate with community partners to expedite its plan. The city will work with nonprofit organizations, for profit organizations, developers, realtors, local businesses, foundations and CHDOs (Community Housing Development Organizations). The

city will use these dollars to develop a comprehensive plan and implement program activities that are conducive to neighborhood and social reform, leverage activities such as social services activities, financial literacy and home maintenance.

LAND BANK-ACQUISITION

In this revision of the NSP Substantial Amendment, the city has deleted the land-banking activity in order to emphasize rehabilitation and redevelopment of existing properties and demolition, in order to stabilize existing residential neighborhoods.

DEMOLITION

The city will utilize NSP funds to aggressively demolish vacant, blighted and abandoned properties in the NSP target areas.

REHABILITATION AND REDEVELOPMENT

The city, through awards to developers, will carry out acquisition and rehabilitation of foreclosed and abandoned properties for sale, lease-purchase arrangements and/or rental to income qualified households. Also to be addressed will be qualified vacant structures and vacant lots that will be rehabilitated or redeveloped via new construction. These activities will focus on specific strategic focal areas within the larger NSP target areas, investing in groups of properties that will have a significant impact on neighborhood stability. This program component will focus on lead based paint requirements, code enforcement and will include design standards that will encourage increase property values. Home buyers will receive deferred payment second mortgages and modest amounts of cash down payment assistance. Homebuyers will attend a minimum of eight hours of counseling including not limited to home maintenance and financial literacy.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The city will utilize the definition in section 1.08 of the Ohio Revised Code:

A. “Blighted areas “and “slum” mean an area in which seventy percent of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social

liability or are a menace to the public health, safety, morals, or welfare in their present condition and use.

(B) "Blighted parcel" means either of the following:

(1) A parcel that has one or more of the following conditions:

(a) A structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;

(b) The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;

(c) Tax or special assessment delinquencies exceeding the fair value of the land that remains unpaid thirty-five days after notice to pay has been mailed.

(2) A parcel that has two or more of the following conditions that, collectively considered, adversely affect surrounding or community property values or entail land use relationships that cannot reasonably be corrected through existing zoning codes or other land use regulations:

(a) Dilapidation and deterioration;

(b) Age and obsolescence;

(c) Inadequate provision for ventilation, light, air, sanitation, or open spaces;

(d) Unsafe and unsanitary conditions;

(e) Hazards that endanger lives or properties by fire or other causes;

(f) Noncompliance with building, housing, or other codes;

(g) Nonworking or disconnected utilities;

(h) Is vacant or contains an abandoned structure;

(i) Excessive dwelling unit density;

(j) Is located in an area of defective or inadequate street layout;

(k) Overcrowding of buildings on the land;

(l) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(m) Vermin infestation;

(n) Extensive damage or destruction caused by a major disaster when the damage has not been remediated within a reasonable time;

(o) Identified hazards to health and safety that are conducive to ill health, transmission of disease, juvenile delinquency, or crime;

(p) Ownership or multiple ownership of a single parcel when the owner, or a majority of the owners of a parcel in the case of multiple ownership, cannot be located.

(C) When determining whether a property is a blighted parcel or whether an area is a blighted area or slum for the purposes of this section, no person shall consider whether there is a comparatively better use for any premises, property, structure, area, or portion of an area, or whether the property could generate more tax revenues if put to another use.

(D)(1) Notwithstanding any other provision of this section, absent any environmental or public health hazard that cannot be corrected under its current use or ownership, a property is not a blighted parcel because of any condition listed in division (B) of this section if the condition is consistent with conditions that are normally incident to generally accepted agricultural practices and the land is used for agricultural purposes as defined in section 303.01 or 519.01 of the Revised Code, or the county auditor of the county in which the land is located has determined under section 5713.31 of the Revised Code that the land is "land devoted exclusively to agricultural use" as defined in section 5713.30 of the Revised Code.

(2) A property that under division (D)(1) of this section is not a blighted parcel shall not be included in a blighted area or slum.

Effective Date: 2007 SB7 10-10-2007

(2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

Affordable rents will be defined as 30% of the household's adjusted income. The City of Canton will utilize Fair Market Rents for the Canton/Massillon MSA provided by HUD.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The city will ensure affordability will be met by the resale or recapture provision provided in HOME. The Housing Economic Recovery act provides direction as to the requirements of protecting affordability. Deed restrictions and or security instruments will be recorded to protect the integrity of HOME rules. The properties will be subject to subsidy recapture for no less than 5 years for a subsidy under \$15,000, for 10 years for a subsidy from \$15,000 to \$40,000, and 15 years for a subsidy over \$40,000.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

The city's housing rehabilitation and new construction standards for the HOME program will be revised and adapted to the NSP program. These standards will be provided to city staff and developers, based on the special requirements and conditions of NSP, which encourages modernization of existing homes and incorporation of green building standards. As with the city's current rehab program standards, the revised version will continue to require compliance with the City's housing, building and zoning codes as well as the Ohio Rehabilitation Standards.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$920,000 .

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

The City of Canton will comply with Section 2301 (f) (3) (A) (ii) requiring 25% of the city's allocation to benefit low income families with income at 50% of the area median income. The city will utilize these funds to purchase and redevelop abandoned and foreclosed homes and expect to produce approximately 10 to 12 rental or for-sale housing units specifically for this class.

The city will meet this requirement by providing funding for rental or for-sale housing restricted to households with incomes at or below 50% of AMI. Affordability will be maintained through affordability guidelines as described herein. The NSP developers and the city will work in conjunction with HUD approved counseling agencies to identify homebuyer clients. The counseling agency will then prepare them for homeownership by providing financial literacy courses to support home ownership.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., \leq 80% of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., \leq 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.***
- The number of NSP affordable housing units made available to low- , moderate-, and middle-income households—i.e., \leq 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).***

- ***The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.***

Response:

The city does not expect to convert any units with NSP funds. The city intends to demolish units but all structures will be non-federally-assisted, vacant, blighted and uninhabitable and thus unavailable to low- and moderate-income households. The city will collaborate with community partners in assisting in targeting structures eligible for demolition.

NSP housing units to be made available to households earning up to 120% of area median income (AMI): approximately 20

NSP housing units to be made available to households earning at or below 50% of media: approximately 10 to 12.

Demolition

The city anticipates demolishing approximately 100 blighted properties with NSP funds. The goal is to ensure public health and safety and prevent further deterioration of neighborhoods.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Response:

Public Comment:

[to come]

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Land Banking (\$0)

This activity, for which \$235,712 in NSP funds was previously budgeted, has been deleted. The City proposes to invest these funds in increased amounts of affordable housing development and demolition rather than stock-piling properties for future development.

Demolitions (\$850,000)

- (1) Activity Type: Demolish blighted structures
CDBG eligible use: **24 CFR 570.201 Clearance for blighted structures only**
NSP Eligible Use: **2301(c)(3)(D) demolish blighted structures**
- (2) National Objective: low-, moderate- and middle-income (LMMI) and elimination of blight.
- (3) Project Start Date: January, 2009
- (4) Project End Date: March, 2013
- (5) Responsible Organization: The Department of Development of City of Canton will be the responsible organization.
Program Administrator:
Director, Robert Torres,
218 Cleveland Ave. SW
Canton, Ohio, 44702

Project Administrator:
Assistant Director, Bruce D. Williams
218 Cleveland Ave. SW
Canton, Oh, 44702
- (6) Location Description: Demolition and board-up of blighted properties in the NSP target areas.
- (7) Activity Description: Inspection of properties; board up of vacant properties to ensure public safety; delivery costs, ie legal ads, title searches; demolition and removal of debris.
- (9) Budget: The budget for this activity will be 23.1% (\$850,000) of the total allocation plus possible use of recycled funds.

Administration (\$308,562)

- (1) Activity Name: Administration of the Neighborhood Stabilization Program
- (2) Activity Type: Administration and Planning of the Neighborhood Stabilization Program
CDBG eligible use: **24 CFR 570.206 Administration and Planning**
NSP Eligible Use: **2301 Planning**

- (3) National Objective: Administer NSP dollars for Programming that benefit low, moderate and middle income constituents.
- (4) Project Start Date: January, 2009
- (5) Project End Date: March, 2013
- (6) Responsible Organization: The Department of Development of City of Canton will be the responsible organization.

Program Administrator:

Director, Robert Torres,
218 Cleveland Ave. SW
218 Cleveland Ave. SW
Canton, Ohio, 44702

Project Administrator:

Assistant Director, Bruce D. Williams
218 Cleveland Ave. SW
Canton, Oh, 44702

- (7) Location Description: Administration will take place at Canton City Hall, 5th floor, 218 Cleveland Ave. S.W., Canton, Ohio 44708
- (8) Activity Description: Administering the Neighborhood Stabilization Program including but not limited to personnel and strategic planning mechanisms.
- (9) Budget: The budget for this activity will be 8.4% (\$308,562) of the total allocation plus possible use of recycled funds.

Acquisition, Rehabilitation and Redevelopment (\$920,000.00 for households up to \$50% AMI; \$1,600,000 for households up to 120% AMI)

- (1) Activity Name: Acquisition, redevelopment and rehabilitation of abandoned, foreclosed and vacant property for sale or rent
- (2) Activity Type: Rehabilitation and Redevelopment

CDBG eligible use: ***24 CFR 570.202 Rehabilitation /Redevelopment and preservation activities for homes***

24 CFR 570.202 (n) Home ownership assistance

NSP Eligible Uses: ***Section 2301(c) (3) (B) of the Housing and Economic Recovery Act allows the purchase and rehabilitation of properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop and Section 2301(c)(E) of the same Act allows the purchase and redevelopment of vacant residential and non-residential properties including vacant land that was previously developed.***

- (3) National Objective: Program guidelines will be accepted and established and will meet the national objective of benefiting low, moderate and middle income constituents. The eligible constituents will earn 120% of median or below

- (4) Project Start Date: Projected April, 2009
- (5) Project End Date: Use of Funds March, 2013
- (6) Responsible Organization: The Department of Development of City of Canton will be the responsible organization coupled with community partners identified at a later date.

Program Administrator:

Director, Robert Torres,
218 Cleveland Ave. SW
Canton, Ohio, 44702

Project Administrator:

Assistant Director, Bruce D. Williams
218 Cleveland Ave. SW
Canton, Oh, 44702

- (7) Location Description: Rehabilitation and Redevelopment of properties for sale will occur in the target areas.
- (8) Activity Description – homeownership and lease-purchase:
The activity will be rehabilitation and redevelopment of residential properties for low, moderate and middle income buyers or lease purchase renters. This activity will occur in phases commencing in blocks where vacancy, abandonment, foreclosure or risk of foreclosure are apparent. For homeowners, this project will produce an estimated 20 rehabilitated or newly constructed homes for purchase by households with incomes up to 120% of area median income (AMI), with expected household incomes ranging from 50% to 120% of AMI. Each eligible homebuyer benefiting from the NSP program will receive a minimum of 8 hours of counseling. Homes will be sold at market value or cost, whichever is less. Selling homes at market value may involve an NSP “development subsidy” if the cost of development exceeds market value due to the need for code-related improvements and improvements to enhance marketability and neighborhood improvements. The program may further improve affordability by offering a NSP-funded second mortgage at 0% interest, with payments due only on sale. The second mortgage mechanism may be used to provide additional cash down payment assistance if necessary. Long-term affordability will be protected through lien mechanisms based on the amount of subsidy as required by the HOME program rules, with liens forgiven within a 15-year period. The subsidies not part of the development subsidy or subsidies forgiven on a pro-rata basis during the term of the lien will be due back to the city upon the sale or change in ownership. The city will accomplish this task by collaboration with community partners in the private and public sector. The city’s investment may leverage dollars from the developer partners. This dollar amount leveraged is unknown at this time. .
- (9) Activity description - rental housing: For renter or special needs households with incomes up to 50% AMI, the project will result in an estimated 10 to 12 rental units. Of the total, no more than \$920,000 will be spent on rental housing, all of which

must satisfy the NSP set-aside requirement for using 25% of the grant funds to benefit households with incomes up to 50% of AMI.

(10) Performance Measures: It is anticipated that 30 to 32 affordable housing units will be provided to eligible households under the program.

(11) Budget: The budget for this activity represents 68.5% (\$2,520,000.00) of the City's allocation,, of which \$920,000.00 is reserved to benefit households up to \$50% AMI and the balance of \$1,600,000 will be available to benefit households up to 120% AMI. Second mortgage subsidies and cash down payment assistance will be funded out of these line items, where used to fund homeownership units. Recycled funds may be used for additional activities as described.

Down Payment Assistance (Incorporated in Acquisition, Rehab, and Redevelopment)

[1] Activity Name: Down Payment Assistance. This activity, for which \$90,000.00 in NSP funds was previously budgeted, has been incorporated in Acquisition, Rehabilitation and Redevelopment (see above) due to HUD's preference for this method of budgeting. The use of funds for this purpose will be reduced to an estimated \$40,000 and only available to buyers of rehabilitated or redeveloped homes.

Home Ownership Counseling (Incorporated in Administration)

Activity Name: Home Ownership Counseling - This activity, for which \$33,535.00 in NSP funds was previously budgeted, has been incorporated in Administration (see above).

CERTIFICATIONS

(1) **Affirmatively further fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds ≤ 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City Of Canton, Ohio (identify lead entity in case of joint agreements) Jurisdiction Web Address: • www.cantonohio.gov	NSP Contact Person: Bruce Williams Address: 218 Cleveland Avenue, SW. Canton, Ohio 44702 Telephone: 330-489-3258 Fax: 330-580-2070 Email: Bruce.Williams@cantonohio.gov
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes ☒ No ☐ Verification found on page 2-5.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c) (2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a sub prime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes ☒ No ☐ Verification found on page 5.

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,
Yes ☒ No ☐. Verification found on page _7-9_.
- a definition of "affordable rents,"
Yes ☒ No ☐. Verification found on page _9_.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes ☒ No ☐. Verification found on page _9_.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes ☒ No ☐. Verification found on page _9_.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐. Verification found on page _10_.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐. Verification found on page _10_.

Amount budgeted = \$ _920,000 _.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes ☐ No ☒ (If no, continue to next heading)

Verification found on page __N/A__.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes ☐ No ☒ Verification found on page __N/A__.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes ☐ No ☒ Verification found on page __N/A__.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes ☐ No ☒ Verification found on page __N/A__.

F. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes ☒ No ☐ Verification found on page __12__.

Is there a summary of citizen comments included in the final amendment?

Yes ☒ No ☐ Verification found on page __12__.

G. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes ☒ No ☐. Verification found on page _12-16__.
- correlated eligible activity under CDBG,
Yes ☒ No ☐. Verification found on page _12-16__.
- the areas of greatest need addressed by the activity or activities,
Yes ☒ No ☐. Verification found on page _12-16__.
- expected benefit to income-qualified persons or households or areas,
Yes ☒ No ☐. Verification found on page _12-16__.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐. Verification found on page _15__.
- appropriate performance measures for the activity,
Yes ☒ No ☐. Verification found on page _12-16__.
- amount of funds budgeted for the activity,
Yes ☒ No ☐. Verification found on page _12-16__.
- the name, location and contact information for the entity that will carry out the activity,
Yes ☒ No ☐. Verification found on page _12-16__.
- expected start and end dates of the activity?
Yes ☒ No ☐. Verification found on page _12-16__.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes ☒ No ☐. Verification found on page _12-16__.
- If the activity provides financing, the range of interest rates (if any),
Yes ☐ No ☐. Verification found on page _____. N/A
- If the activity provides housing, duration or term of assistance,
Yes ☒ No ☐. Verification found on page _12-16__.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes ☒ No ☐. Verification found on page _12-16__.
- does it ensure continued affordability?
Yes ☒ No ☐. Verification found on page _12-16__.

H. CERTIFICATIONS

NSP Substantial Amendment #3 - Draft for Public Comment

The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |